CPP ANNUAL USE OF CAPITAL SURVEY - 2010

NAME OF INSTITUTION
(Include Holding Company Where Applicable)

M&T Bank Corporation (acquired from Provident Bankshares Corporation)

Point of Contact:	Rene' F. Jones, Executive Vice President and CEO	RSSD: (For Bank Holding Companies)	1037003
UST Sequence Number:	160a	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	151,500,000	FDIC Certificate Number: (For Depository Institutions)	
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	November 14, 2008	City:	Buffalo
Date Repaid[1]:	N/A	State:	New York

[1]If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

☐ **Increase lending or reduce lending less than otherwise would have occurred.**

☐ **To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).**

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☐ **Increase securities purchased (ABS, MBS, etc.).**

☐ **Make other investments.**

☐ **Increase reserves for non-performing assets.**

☐ **Reduce borrowings.**

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☐ **Increase charge-offs.**

☐ **Purchase another financial institution or purchase assets from another financial institution.**

☒ **Held as non-leveraged increase to total capital.**

See statement describing actions undertaken with the capital infusion of CPP funds.

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What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

Not applicable.

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What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

Not applicable.

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Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

Funds received by M&T Bank Corporation (“M&T”) under the U.S. Treasury Department’s Capital Purchase Program (“CPP”) are indistinguishable from shareholder funds and other cash sources. We welcome the opportunity to describe how we utilized that combined capital in 2010 to meet our customers’ loan demand and, in general, to provide for an excess capital buffer during a time of continued financial uncertainty. M&T announced on November 23, 2008 that it would participate in the CPP, although it is important to note that M&T was the only one of the 25 largest U.S. bank holding companies at the time to apply for and receive the program’s minimum one-percent of risk-weighted assets. M&T accepted $600 million in CPP funds on December 23, 2008. M&T’s decision to participate in CPP was predicated upon the perception that only “healthy” banks would be permitted to receive CPP funds. M&T was one of just four banks among the 20 largest U.S. based Commercial Bank Holding Companies that did not record a loss in any period during the financial crisis—in fact, M&T has not recorded a quarterly loss in more than 34 years or 139 consecutive quarters—and is one of only two banks in the S&P 500 that did not cut its dividend through this cycle. While M&T participated primarily to demonstrate to our customers, investors and regulators that we qualified for the program, we also recognized that the program would help stabilize the rest of the financial system and we hoped that it would help make credit more available. M&T's Chief Financial Officer, René Jones, said at the time, "Even though our capital ratios are well in excess of the regulatory minimums, we believe it is important to join the industry in support of this program established by the Treasury Department to address the disarray in the financial sector." M&T is most proud of the fact that we continued to make credit available to our customers throughout the financial crisis, even as other banks may not have done so. Over the three-year period since the onset of the financial crisis, M&T extended $52 billion in new credit. In 2010 alone, we made 139,000 new loans, totaling $17 billion in value, and representing a five percent increase over the $16 billion in 2009 loan originations. Moreover, 8,250 of these new loans went to small businesses, which are the backbone of healthy communities. Indeed, of all banks in the country—including the biggest—M&T ranked sixth, improving from ninth a year ago, in the number of Small Business Administration (SBA) loans originated, notwithstanding the fact that we do business in just seven states and the District of Columbia. We were the number one SBA lender in Buffalo, Rochester, Syracuse, Binghamton, Baltimore, Washington, D.C. and Philadelphia. M&T has also been positioned to help the customers and communities served by other banks that were more adversely affected by the financial crisis and recession. During 2009, M&T acquired Provident Bankshares Corporation and assumed the $151.5 million in CPP funds that Provident had previously received from Treasury. The Provident acquisition was structured as a stock-for-stock transaction paid for with the issuance of M&T common stock and therefore did not require the use of any CPP funds. During 2009 M&T also assumed all the deposits and acquired certain assets of Bradford Bank in an FDIC-assisted transaction that did not require a capital outlay nor the use of any CPP funds by M&T. On November 1, 2010, M&T announced that it would acquire the Wilmington Trust Corporation and assume responsibility for $330 million in CPP funds that Wilmington had previously received from Treasury. The Wilmington acquisition was also structured as an all-stock transaction issued in the form of M&T shares and did not require the use of any CPP funds. Prior to the May 2011 close of the Wilmington Trust acquisition, M&T purchased Wilmington’s $330 million in CPP funds from the U.S. Treasury, essentially becoming the investor. On November 5, 2010, M&T assumed all of the deposits, except certain brokered deposits, and acquired certain assets of K Bank in a FDIC-assisted transaction that did not require a capital outlay nor the use of any CPP funds by M&T. On May 19, 2011 M&T repaid $370 million of CPP funds, leaving $381.5 million outstanding today.